



Pay and Reward Policy

Report by the Director for Digital & Resources

1.0 Summary

- 1.1 This report seeks approval of the Adur & Worthing Councils Pay and Reward Policy.
- 1.2 The proposed new Adur and Worthing Councils Pay and Reward Policy is attached as Appendix 1, and would replace the current Adur and Worthing Councils Additional Duties and Honorarium Payments Policy and Market Related Additional Payments Policy.

2.0 Background

- 2.1 The current Additional Duties and Honorarium Payments Policy was agreed on 18th September 2013 and the current Market Related Additional Payments Policy was last update/agreed in November 2008.
- 2.2 The organisation is intending to review all HR policies over the following 18 months in a three-phased approach. The new Pay and Reward Policy is one of the policies being produced as part of the first phase of the policy review project.
- 2.3 Adur and Worthing Councils are committed to operating transparent, consistent and equitable pay arrangements for its employees. This policy sets out the key principles for establishing pay levels, the basis for determining salaries, pay progression and pay supplements.
- 2.3 The policy applies to all employees of Adur and Worthing Councils.

3.0 Proposals

- 3.1 The aim of this policy is to provide greater clarity and understanding of the financial options available to managers in recruiting and retaining staff.
- 3.2 The changes to the policy and the rationale for those changes are detailed in Appendix 2.

4.0 Legal

- 4.1 The Pay and Reward Policy would be classed as a contractual policy and therefore form part of the terms and conditions of employment.
- 4.2 Section 112 Local Government Act 1972 gives the Council the power to appoint staff on such terms and conditions as appropriate.

5.0 Financial implications

- 5.1 There could be some financial implications due to the introduction of the recruitment incentive payment and these would have to be funded from departmental budgets.
- 5.2 The policy confirms that increments are subject to 'satisfactory service'. Individuals who are under formal performance support would not providing 'satisfactory service' and would therefore not be entitled to receive an increment. This may result in some minor financial savings for the organisation.

6.0 Recommendation

- 6.1 The Joint Staff Committee is recommended to approve the Pay and Reward Policy, with an implementation date of 1st February 2018.

Local Government Act 1972

Background Papers:

Adur and Worthing Councils current Additional Duties and Honorarium Payments Policy available at [Additional Duties and Honorarium Payments Policy](#)

Adur and Worthing Councils current Market Related Additional Payments Policy available at [Market Related Additional Payments Policy](#)

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Schedule of Other Matters

1.0 Council Priority

- 1.1 Ensuring that the Councils operate a transparent, consistent and equitable pay arrangement for its employees.

2.0 Specific Action Plans

- 2.1 Matter considered and no issues identified.

3.0 Sustainability Issues

- 3.1 Matter considered and no issues identified.

4.0 Equality Issues

- 4.1 The Equality Impact Assessment for the policy is attached as Appendix 3.

5.0 Community Safety Issues (Section 17)

- 5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

- 6.1 Matter considered and no issues identified.

7.0 Reputation

- 7.1 Failure to have an agreed consistent approach to pay and reward could result in negative reputational damage to the Councils and could result in equal pay claims.

8.0 Consultations

- 8.1 Unison have been consulted with and have agreed the policy.

9.0 Risk Assessment

- 9.1 Matter considered and no issues identified.

10.0 Health & Safety Issues

- 10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

- 11.1 Matter considered and no issues identified.

12.0 Partnership Working

- 12.1 Matter considered and no issues identified.



ADUR & WORTHING COUNCILS

Pay and Reward Policy

1.0 Overview

- 1.1 Adur and Worthing Councils are committed to operating transparent, consistent and equitable pay arrangements for its employees. This policy sets out the key principles for establishing pay levels, the basis for determining salaries, pay progression and pay supplements.
- 1.2 This policy applies to all employees of Adur and Worthing Councils.
- 1.3 All employees have the responsibility for adhering to this policy. Individual areas of responsibility are:
- **Corporate Leadership Team** – overall responsibility for ensuring that pay and reward practices are managed appropriately and publishing/promoting the adoption of this policy across the Councils
 - **HR team** - reviewing this policy to ensure it is effective and advising managers on the interpretation and consistent application of the policy and on best practice
 - **Managers** – choosing appropriate pay and reward arrangements for members of staff
 - **Employees** - familiarising themselves with this policy and being aware that any additional payment made be subject to normal deductions.
- 1.4 This policy should be interpreted in accordance with the Equalities Act 2010 and shall be applied fairly and consistently to all employees.

2.0 Job Evaluation

- 2.1 A job evaluation policy allows a consistent and systematic approach to how an organisation determines pay for individual posts (not post-holders) in a fair, systematic and consistent way.
- 2.2 The job evaluation scheme used by Adur & Worthing Councils is the *Greater London Provincial Council (GLPC) Job Evaluation Scheme*. This scheme is used widely by local authorities across England.

When the GLPC will be used

- 2.3 The job evaluation scheme will be used to determine the pay grade appropriate for:
- New roles
 - Where significant changes are being made to a current role (including if temporary additional duties are to become a permanent feature of a role).
 - Where a manager has submitted a post for re-grading with supporting criteria (as detailed in the procedure notes on the intranet)
 - During a time of organisational change when organisational structures are reviewed
- 2.4 A post cannot be put forward for job evaluation more than once in a 12 month period. If it is felt that an exception is needed to this, the manager concerned should speak to their HR Business Partner.
- 2.5 Any job being evaluated will be considered by a panel consisting of a Trade Union representative, another manager from the organisation and a member of the Human Resources Team.
- 2.6 Where the role is performed by more than one person, the job evaluation process will be done collectively. This is in regards to both through the job evaluation process and any appeal process if applicable.
- 2.7 There are different areas of responsibility in job evaluation process. The main areas are for managers, the panel and the human resources team which are detailed below:

Area of Responsibility - Managers

- 2.8 The areas of responsibility for managers are:
- Owning and storing all job descriptions/personal specifications for individuals in their team, ensuring they are up-to-date and in line with the Councils' templates
 - Discussing any upcoming job evaluation paperwork with their HR Business Partner
 - Reviewing and maintaining all the job descriptions and personal specifications for individuals within their team as part of the Performance Development Review and as appropriate in 1:1s/supervisions.
 - Updating Job Descriptions and Personal Specifications as and when appropriate.
 - Liaising with the relevant accountant regarding any changes to grade and resolving any budgeting issues.
 - Ensuring any new or significantly revised Job Descriptions and Personal Specifications are taken to a Job Evaluation panel for review.
 - Undertaking management scoring as part of the Job Evaluation process
 - Presenting the post at the Job Evaluation panel and answering any queries the panel has to determine the pay grade of the role
 - Communicating the results of the evaluation verbally to individuals concerned and issuing correspondence following the evaluation panel to the staff member(s) regarding the outcome of the panel and right to appeal (copying in the Human Resources Team)

- Completing the Establishment Control Form for any change to grade

Area of Responsibility - The Panel

2.9 The areas of responsibility for the panel are:

- Attend initial and refresher / ongoing training as required
- Attending the panel as required
- Undertaking an assessment of the role and managers scoring prior to the panel, highlighting any queries or differences in opinion for panel discussion
- Working in partnership with colleagues to ensure an approach that is consistent and fair
- Highlighting concerns regarding any outcomes against similar roles
- Making recommendations for improvement in the procedure

Area of Responsibility - the Human Resources Team

2.10 The areas of responsibility for the human resources team are:

- Working with managers to ensure understanding of the Job Evaluation Process and providing support with the manager scoring process.
- Administering panels and circulating paperwork one week before a panel
- Processing pay grade changes at the next available payroll after the appeal period upon receipt of the manager's letter and completed Establishment Control Form

Outcomes from the panel

2.11 The following outcomes can result from a Job Evaluation process:

- **Grade increase** - this will always be effective from the date of the panel and will not be backdated.
- **Grade reduction** - pay protection of 100% for one year and 50% for the second year. This period of protection also applies to other entitlements of the role e.g. annual leave.
- **No change to grade**

Right to Appeal

2.12 If a post holder or manager of the post holder believes the outcome to the Job Evaluation Process for their role is incorrect they have a right to appeal.

2.13 To do this, they should appeal in writing to the Head of Service or Director, copying in Human Resources, within 7 working days of receiving the written decision, stating the full grounds for appeal.

2.14 Appeals may only be raised on the grounds of:

- a) Sufficient information about the job under one or more of the job evaluation factors has not been taken into consideration;
- b) The information about the job under one or more of the job evaluation factors was inaccurately interpreted.

2.15 The individual appealing must state the grounds for the appeal and identify the factor(s) in

question and provide/correct the information appropriately. The appeal must be done using the appeals procedure form available on the intranet or in the place of work.

- 2.16 The appeal panel will be formed of an alternative manager, alternative member of the Human Resources team and, where possible, an alternative Trade Union Representative.
- 2.17 Appeals can result in job evaluation factors being unchanged, decreased, or increased. The outcome of an appeal is final. If the appeal is upheld, any changes to the pay grade will be backdated to the original Job Evaluation date.

3.0 Increments

- 3.1 Each job role has a set pay grade determined by the job evaluation process that has between 4-6 incremental pay points.
- 3.2 Normally where an employee enters or moves to a new post they will be appointed on the minimum point for the new post. In some circumstances it may be appropriate to appoint them above the minimum of the level for example to recognise previous experience or transferable skills of the employee. All requests to appoint above the first three points must be agreed by the relevant Head of Service subject to the maximum of the level not being exceeded.
- 3.3 Increments will be automatically paid on 1st April each year until the maximum level for the pay grade is reached subject to satisfactory service.
- 3.4 Employees with less than six month's service in the grade by 1 April shall receive their first increment six months from the actual start date of appointment, promotion or re-grading. All future increments will then be paid in April.

4.0 Additional Duty Payments

- 4.1 An additional duty payment is an arrangement agreed by the employee and their manager when an employee undertakes additional duties and responsibilities at a more senior level for a period of over four weeks.
- 4.2 The period of time additional duty payments can be made for is no more than 12 months as the purpose of the payments is to cover a time-limited, specific, short-term requirement (i.e. covering a colleague's duties when sick or flexibly covering maternity leave).
- 4.3 If additional duty payments have been paid to an individual for 8 months, the manager should talk to their HR Business Partner to agree next steps.
- 4.4 If the employee undertakes the full duties of a more senior role the payment will be based on the salary of the role the employee is acting up into. Where an employee undertakes some, but not all of the additional duties and responsibilities of the more senior role, a

percentage payment of 25%, 50% or 75% may be applied as appropriate. Where an employee is not working at the higher level of the post in question, but taking on additional duties above their post, the individual might be paid at another mid-way salary level.

- 4.5 The member of staff will usually be put at the bottom of the spinal column point for the role and they will **not** be entitled to any other benefits of the role, such as higher annual leave entitlements.

5.0 Special Merit Payment (previously called 'honorarium')

- 5.1 A special merit payment is in recognition of a particular one-off contribution over and beyond their job or a substantially increased workload over a short period of time.
- 5.2 The payment as detailed in the procedure documents available on the intranet needs to be objectively justified by, for example, the number of additional hours worked over a specified period, the quality of project work produced by the employee or adherence to challenging deadlines.
- 5.3 A Special Merit Payment can only be made where no other form of additional payment has been made for the work completed.
- 5.4 This payment will be subject to usual deductions.

6.0 Market Supplement

- 6.1 A market supplement is a salary enhancement that can be paid in order to recruit and retain staff with the skills that are essential to the effective provision of services. It can be paid where:
- Recruitment and/or retention problems have occurred and shortages of essential skills exist.
 - Recruitment and/or retention patterns indicate that without corrective action essential skill shortages will arise.
 - The manager has exhausted the alternative solution available (including non-monetary rewards) for filling a role.
- 6.2 Details are available on the intranet for the steps a manager must take before a market supplement can be agreed and guidance for determining the appropriate market supplement, which is usually the financial difference between the highest spinal point of the post and the lowest market rate.
- 6.3 Payments will be made monthly as a separate and identifiable addition to salary, are subject to review every 12 months. Any payment will be subject to usual deductions.

7.0 Career graded posts

- 7.1 Career graded posts are posts where the salary scale crosses more than one grade, with progression to a higher grade dependent on individuals demonstrating the competency, experience or performance level detailed in the associated job description for the higher grade.
- 7.2 Career grades provide a way by which staff can be effectively retained and developed. This enables an organisation to keep the expertise these staff have built up and recognise the contribution they are making in their job role.
- 7.3 Usually staff recruited will be placed at the lowest spinal column point in the lower grade unless their qualifications, competencies and experience means that is appropriate for them to be recruited at a higher level.
- 7.4 The Performance and Development Review will be used to record employees' performance, achievements and the identification of any training and development needs. This should also be used to record whether employees are recommended or not for progression to the next level.
- 7.5 Progression to the next level of a career grade can be recommended using the Establishment Control Form available on the intranet.

8.0 Recruitment Incentives

- 8.1 A recruitment incentive is a one-off payment of up to 10% of the post's annual salary that will assist a recruiting manager to secure an appointment to a post that is difficult to fill or to attract a candidate who has significant previous experience or particularly desirable transferable skills.
- 8.2 A Recruitment Incentive Payment cannot be paid in addition to a market supplement.
- 8.3 The amount offered will be determined with reference to the size and quality of the response to the advertisement and whether there are alternative candidates that could be appointed. Eligibility is based on proven recruitment difficulty and evidence of skills shortages.
- 8.4 The recruitment incentive is payable following successful completion of probation and must be repaid if the individual leaves the Councils before a two year period.
- 8.5 Managers have the responsibility of identifying how the additional cost of a recruitment incentive will be met before offering it to their staff.
- 8.6 This payment will be subject to usual deductions.

9.0 Paid Overtime

- 9.1 The organisation may, as required from time to time according to the needs of the business, ask employees to work overtime. Employees are reasonably expected to be available for overtime as and when required.
- 9.2 Employees will be considered to be working overtime when they exceed their contractual hours due to a business need. Where an employee requests/volunteers to work overtime, he/she should seek the authorisation of their line manager. All overtime requires express authorisation.
- 9.3 Any employee who requests/volunteers to work overtime that will mean working over 48 hours in one week needs to sign the organisation's form to agree to opt out of the 48-hour working week.
- 9.4 Employees will not accrue any additional annual leave (over and above their contractual entitlement) for any overtime hours worked. Instead, they will receive an additional financial supplement as part of their overtime pay to financially compensate for the annual leave.
- 9.5 Overtime will, at the discretion of the manager, be paid at the hourly rate set out in the Green Book (unless local agreements exist) or taken as accrued hours (see ways of working policy).

10.0 Out of Hours Work

- 10.1 Where an individual is contractually obligated to perform out of hours duties (both being on standby and resolving issues that arise), this will be set out in their contract.
- 10.2 The contract will detail the payments that these duties will attract in addition to the individual's baseline salary.

11.0 Financial Benefits

- 11.1 On attaining 25 years' service with Adur and Worthing Councils, employees will be eligible to receive a £100 gift voucher.
- 11.2 The organisation will calculate employees' number of years' service from the date of commencement of employment, including periods during which the employee has taken maternity, paternity, adoption and parental leave.
- 11.3 Long Service Awards may be varied from time to time at the organisation's discretion following. Long Service rewards do not form part of employees' contracts of employment.
- 11.4 Other financial benefits available to employees, including a generous pension, interest free travel loans, free eye tests and voucher schemes, are available on the intranet.

12.0 Other Rewards

- 12.1 The Councils appreciate the invaluable contribution made by all employees. Effort is made to ensure staff members are compensated, not just financially, but through the provision of relevant non-financial rewards.
- 12.2 Details of non-financial rewards and benefits for staff are available on the intranet.

13.0 Monitoring and Review

- 13.1 This policy will be monitored and reviewed on a regular basis by the Human Resources team with a thorough review taking place in three years if required.

Date policy agreed with Unison: 8 November 2017

Date agreed by Joint Staff Committee: TBC

Date for review: 3 years from formal adoption of policy

Pay & Reward Policy

What's changed?	Old policy	New policy	Why?
Creation of Job Evaluation section in Pay and Reward policy	Job evaluation was not included in any HR policy. The procedure was outlined on the intranet.	Full explanation of the job evaluation policy and procedure, including areas of responsibility, potential outcomes of the job evaluation process, detail of how an individual can appeal a job grading.	To formalise the policy and procedure and ensure consistency in how job evaluation is handled across the organisation.
Formalising approach to: <ul style="list-style-type: none"> • Increments • Career graded posts • Paid overtime • Out of hours • 25 years service award 	No mention of increments, career graded posts, paid overtime, out of hours working or the long service award in any policy	An outline of each of these areas.	For greater clarity and understanding of options
Inclusion of recruitment incentives (one-off payment of up to 10% of the post's annual salary)	No recruitment incentives	The ability to offer recruitment incentives where there is justification for doing so.	To enable managers further pay and reward options to secure appointment to a post that is difficult to fill or attract a candidate who has significant previous experience or particularly desirable transferable skills
Changes to what we call certain pay and reward options	Use of ' <i>honorarium</i> ' for payment in recognition of a particular one-off contribution over and beyond their job or a substantially increased workload over a short period of time	Use of ' <i>special merit</i> ' for payment in recognition of a particular one-off contribution over and beyond their job or a substantially increased workload over a short period of time	This change has been made to clarify and simplify the language used in our policies.



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Equality Impact Assessment – Pay & Reward Policy

Name of project/policy/strategy (hereafter referred to as “initiative”):

Pay & Reward Policy

Provide a brief summary (bullet points) of the aims of the initiative and main activities:

A review and rewrite of the pay and reward policy process to:

- Improve our approach to rewarding staff
- Clarify expectations and understanding of how rates of pay are decided
- Add information that is missing from the current policy
- Clarify expectations of managers, the HR team and staff
- Review best practice and bring our policy in line with latest ACAS guidance

Project Manager: Amy Newnham

Date: November 2017

Stage 1: ‘Screening’

This stage establishes whether a proposed initiative will have an impact on equality groups, (age, disability, gender, race, religion/belief, sexual orientation), or whether it is “equality neutral” (i.e. have no effect either positive or negative). So for example in the case of gender impact, consider whether men and women are affected differently.

Q.1. Who will benefit from this initiative? Is there likely to be a positive impact on specific equality groups (whether or not they are intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality “neutral”? i.e. will have no particular effect on any group.

The policy allows the organisation to manage pay and reward staff in a fair and consistent way. It brings together a number of policies that were stand alone to simplify and clarify pay and reward options.

The ultimate beneficiaries of the policy review are the residents of Adur & Worthing – this policy ensures that value for money is obtained through salaries being graded at the correct level and that hard-to-recruit posts can be filled to ensure service provision.

Other beneficiaries are: **managers** – greater clarity around how pay & reward is managed. **Employees** – clarity about how any pay & reward requests will be managed and how they can appeal job evaluation outcomes

Equality considerations:

Age – equality implications due to age have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by the age of the individual in the role. Potentially those who have more experience may be offered recruitment incentives more than those at the start of their careers, but the circumstances where a recruitment incentive would apply are very specific (to secure

an appointment to a post that is difficult to fill or to attract a candidate who has significant previous experience or particularly desirable transferable skills) and so it is unlikely that younger people will be at a disadvantage. Again, those who have been with the organisation longer will be on a higher increment than someone who is new to the organisation, but the pay scales are narrow and it would only take 2-3 years for an individual to reach the top of the salary band so there is minimal impact on different age groups.

Disability – equality implications due to disability have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by whether an individual has a disability.

Gender Reassignment – equality implications due to gender reassignment have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by whether an individual has undergone gender reassignment.

Marriage and civil partnership - equality implications due to marriage and civil partnership have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by an individual's marriage/civil partnership status.

Pregnancy & Maternity – equality implications due to pregnancy and maternity have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by whether an individual is pregnant or on maternity leave.

Race/ethnicity - equality implications due to race/ethnicity have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by an individual's race/ethnicity.

Religion & belief - equality implications due to religion/belief have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by an individual's religion/belief.

Sexual orientation – equality implications due to sexual orientation have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by an individual's sexual orientation.

Sex – equality implications due to sex have been considered and none have been found. Salaries and the range of reward options are determined by reviewing the job description/the merit of individual circumstances and would not be impacted by an individual's sex.

Q.2. Is there likely to be an adverse impact on one or more equality group as a result of this initiative? If so, who may be affected and why? Or is it clear at this stage that it will be equality “neutral”?

Consultation has taken place with Unison and no significant concerns have been raised about equality issues due to protected characteristics.

Q.3. Is the impact of the initiative - whether positive or negative - significant enough to warrant a more detailed assessment (Stage 2 - see guidance)? If not, will there be monitoring and review to assess the impact over a period of time? Briefly (bullet points) give reasons for your answer and any steps you are taking to address particular issues, including any consultation with staff or external groups/agencies.

Due to the response in Q2, it is felt that a more detailed assessment is not required at this time. The policy will be reviewed in 3 years' time and at this point, the equality impact assessment will also be reviewed to ensure that the impact on those covered by the Equality Act remains “neutral”.